

Financial Credit to the Republic of Tajikistan from the EurAsEC Anti-Crisis Fund

Operation Summary

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| Recipient | Republic of Tajikistan |
| Implementing Agency | Ministry of Finance of the Republic of Tajikistan |
| Credit Size and Main Terms | <p>Amount: US \$70 million;</p> <p>Interest rate: fixed, 1% per annum;</p> <p>Spread over interest base: none;</p> <p>Front-end fee: none;</p> <p>Maturity including grace period: 20 years;</p> <p>Grace period: 5 years;</p> <p>Co-financing from recipient: none</p> |
| Type of Operation | Financial (stabilization) credit |
| Areas of Support | <ul style="list-style-type: none"> • Budget support to social sectors (education, health, social protection); • Strengthening public finance management. |
| Key Performance Indicators | <p>State Budget for 2010 ensures the financing of:</p> <ol style="list-style-type: none"> 1. Public health ó in the amount of at least 6,1% of total budget expenditures, excluding the State Investment Program (SIP); 2. Public education ó in the amount of at least 17,1% of total budget expenditures (excluding SIP); 3. Social protection ó in the amount of at least 16,8% of total budget expenditures (excluding SIP); <p>Tax legislation is enhanced to strengthen tax compliance;</p> <p>Legislative framework for the implementation of internal audit mechanisms in public sector is established;</p> <p>Public access to information on State Budget is improved;</p> <p>Foundation is laid to enhance the capacity and motivation of public servants through salary increases in pilot ministries.</p> |
| Objective | Maintain budget financing of social sectors, to protect the access of population, especially the poor, to education, health and social protection. This objective will be achieved through strengthening public finance management systems and improvement of the potential of civil servants to implement reforms. |
| Risks and Risk Mitigation | <p>Risks: (a) weak economic basis and high vulnerability to external shocks; and (b) weak capacity of public administration. To mitigate these risks over medium-term, the EurAsEC Anti-Crisis Fund will support measures that cushion these risks through improvements to business climate and building the capacity of the Government to implement reforms.</p> |